

NORTH TEXAS STATE UNIVERSITY
ORAL HISTORY COLLECTION

NUMBER

142

Interview with
Jim Earthman
December 8, 1972

Place of Interview: Houston, Texas

Interviewer: Dr. Ronald Marcello

Terms of Use: *[Signature]*

Approved: *[Signature]*

Date: 5-18-73

Copyright ©2016

**THE BOARD OF REGENTS OF
THE UNIVERSITY OF NORTH TEXAS
IN THE CITY OF DENTON, TEXAS**

All rights reserved. No part of this work may be reproduced or transmitted in any form by any means, electronic or mechanical, including photocopying and recording, or by any information storage or retrieval system without permission in writing from the Director of the Oral History Program or the University Archivist, University of North Texas, Denton, Texas 76203

Oral History Collection

Jim Earthman

Interviewer: Dr. Ronald E. Marcello

Place of Interview: Houston, Texas

Date: December 8, 1972

Dr. Marcello: This is Ron Marcello interviewing Representative Jim Earthman for the North Texas State University Oral History Collection. The interview is taking place on December 8, 1972, in Houston, Texas. I am interviewing Representative Earthman in order to get his reminiscences and impressions and experiences while he was a member of the 62nd Texas Legislature. More specifically, this will be a continuation of an interview previously carried out with Mr. Earthman, and today's interview will be concerned with the second, third and fourth special sessions of that 62nd Legislature. The first interview with Mr. Earthman concerned the activities of the regular session of the Legislature and the first called session of that 62nd Legislature. Now Jim, I think one of the reasons that Governor Smith called that second session was . . . oh, something to do with highway beautification, and I think there was also a need to enact some sort of legislation for financing the state primaries. Is there anything that you want

to get into the record about that sort of thing?

Rep. Earthman: No, I do not believe so.

Dr. Marcello: What were your own feelings on having the state finance the state primaries?

Rep. Earthman: Well, I am in favor of it. The primaries are an integral part of the state election process, and it is only fair that the state pick up the tab for this expenditure. Plus the fact it was unfair to put the burden on the individual candidates to pay for the primaries through the assessment of filing fees. In most cases they were so expensive, especially for higher office, that a lot of good, qualified people were kept from running because they could not even raise the money to just have their name put on the ballot.

Dr. Marcello: I think actually in that second called session, especially so far as the House of Representatives was concerned, the main business of the House was the selection of a speaker to replace Gus Mutscher. By this time he was having all of his trouble with the courts and what have you, and actually I think one of the first questions that came up was whether the House wanted to elect a permanent speaker at that time or whether they wanted to elect an interim speaker. Now I think most of the "Dirty Thirty" wanted to elect an interim speaker. Is that correct?

Earthman: Well, that is right. You see, the "Dirty Thirty" or most of the members of the "Dirty Thirty" were backing Price Daniel, and Price knew that his only hope to be speaker was to stall for time and hope that he would be elected in the next regular session. Because of redistricting and what-not, there would be a lot more new members that were coming up to the Legislature, and he thought this was his only hope.

Marcello: In other words, he did not feel that he really had a chance to be elected in the interim here.

Earthman: No, he had no support or virtually no support. I think he might have had maybe twenty or twenty-five members that were supporting him, but Price Daniel, Jr., had very, very little support at this time, and there were an awful lot of candidates that were running for speaker.

Marcello: I think even before the Legislature was called into session the maneuvering had already begun. For example, I am referring to Jim Nugent. Now apparently he had made a good many of his moves even prior to the convening of that special session. I know for example he had called a meeting of the representatives from the Dallas area, and I think there had also been a meeting called in San Antonio. Do you know anything about Slider's

plans to become the speaker of the House?

Earthman: Well, I will tell you what happened. The six Republicans from Houston invited all the potential speaker candidates, and we rented a room at the Rice Hotel and had them all down in one day. We had Price Daniel, Jr., Rayford Price, Jim Slider. Nugent did not make it that time. Nugent came a little later--I think about a week or so later--and we met with him at a motel out on the Southwest Freeway. But we gave each one of these speaker candidates a fair hearing. We also heard from Fred Head as well.

Marcello: Let's talk a little bit about those meetings. About how much time did each candidate have to present his particular side?

Earthman: We talked to each one for about an hour and heard the pros and cons of each one. We also had John Traeger from Seguin. I remember he also came in. Primarily they were all, you might say, bad-mouthing the other candidates, so to speak. They were hoping for a deadlock. You see, they were trying to get the nucleus of the Mutscher support, most of them, because they knew Mutscher was finished, and they were trying to pick up the Mutscher support and build on it, and they thought that they'd crack with the nucleus of the Mutscher support, and if they could pick up any kind of stray vote, they would

stand a good chance of winning. You see, most of the speaker candidates were all Mutscher lieutenants, and this was a problem because they had a deadlock as to who they were going to back because you had Slack and Traeger and Nugent. They were the three main ones, and they were all the hard-core Gus Mutscher backers, and they all wanted to be speaker, you see. This created a traffic jam or a bloc of the candidates that the Mutscher people were going to support, and it is my understanding that they decided they were going to back the leading one. As it turned out, it did not happen that way.

Marcello: Generally speaking, what kind of questions did the Houston delegation throw at these candidates?

Earthman: Of course, the questions we asked were a little bit different. We looked more at what we could get out of it as Republicans more than anything else. What we were seeking was a fair shake. Under Mutscher, we were given, as you know, a real raw deal, and we wanted to make sure that the next speaker did not treat us the way that Gus had treated us, and they all agreed to the demands that we made, and they even included office space, secretarial help, and also official recognition

as a minority party, and they were all eager to get our vote at the time.

Marcello: Let's go back just a minute. You mentioned earlier that Mutscher had given you a raw deal during his tenure as speaker. In what ways?

Earthman: Well, you see, Mutscher was elected . . . you have got to look at how Mutscher was elected, and a good bulk of Mutscher's strength came from . . . the way he was elected speaker was from a bloc vote of Dallas conservative Democrats and also from Houston. Well, in these urban areas where they still elect conservative Democrats, at least from these urban areas, the Republicans are pretty doggone tough, and in fact we beat six Democrats in our district, you see, six conservative Democrats. So Mutscher had to placate these Dallas, primarily Dallas and Houston, conservative Democrats, and the only way he could, he would have to give the Republicans that were elected a pretty raw deal, and this is what he did to placate his support from these urban areas. So we were given a real, real poor assignment of committees. In fact, our bills were bottled up, and we were not given fair hearings--all the usual treatment you do, I guess, to get even with your enemy, so to speak.

Marcello: You talked a little while ago about the fact that your bills were bottled up. Now enter Jim Nugent once again. He was chairman of the House Rules Committee. I would assume as chairman of the Rules Committee he had made quite a few enemies and maybe even particularly among the Republicans. Is that a fair statement?

Earthman: That's right. That's right. And it was really hilarious to sit back when we had these guys, and everyone of them-- Nugent, Traeger, all the people that were coming to us for support--and all of a sudden they were saying, "Well, you know in our hearts we are really Republicans, but we can't be elected as Republicans from Kerrville, Texas, or Seguin, Texas," or wherever they happened to be. They would say, "We want to play ball with you now because we know that you are real, real good members. We will give your bills a fair shake like everybody else. We would just love to be Republicans, but we can't because of the rural areas we are from." It was really kind of hilarious to sit back and listen to these guys talk and tell us about their feelings. Of course, they were all lies, you know (laughter). But we enjoyed it and we all got a good laugh after they left.

Marcello: I would assume that since there were so many of Mutscher's

ex-lieutenants aspiring for that speakership that the Republicans perhaps had a swing vote here.

Earthman: Well, we did. In fact, as it ultimately turned out, the newspapers all gave us credit for electing Rayford Price, and we did all vote together. As the election for speaker turned out, it was tailor-made for our interests, you see, and we were for the only time that I could remember able to vote as a group. It was hard-fought, and right now the Republicans are splintered again. But for this one vote, they did hold together.

Marcello: At these meetings that were held, which one of the candidates seemed to come off the best? Which one made the most favorable impression?

Earthman: Well, none of them. Really, in all truthfulness, none of them did. In fact, it was kind of funny because they would all come in, and each one of them thought that the way he would get our support would be to create a bandwagon effect. They would all tell us how many votes that they already had, and I think we totaled up the pledges of the votes that all of them said they had, and it totaled over 300, more than double the number . . .

Marcello: Twice the number of people in the Legislature.

Earthman: That is exactly right (laughter). Really, they were not leveling with us. We knew it and I think for the most part they probably knew it, and they could not have kept the promises that they gave us that they were going to do.

Marcello: Incidentally, what was the atmosphere like when this Legislature convened for this second special session? Was it an explosive atmosphere? I mean after all this Sharpstown business was still going strong at the time.

Earthman: Well, it was an explosive thing, but we all knew or felt that there was going to be an election for speaker. As it turned out, Gus did step aside and we did have an election of the new speaker, but it was a very interesting session, to say the least. In fact, I think I enjoyed this one special session more than any of the others that I have served.

Marcello: Why was this so?

Earthman: Well, because we were able to elect a person that I personally liked, Rayford Price, as speaker, and for the first time the ten Republicans were able to stick together. You know, we had had a long . . . there was always this rivalry when you have such a small group, and we had it to the point of being cut-throat, and we were never able to do anything together, and we finally

were able with one exception to deliver nine votes
to elect Rayford Price.

Marcello: Who was the exception?

Earthman: Bill Blythe.

Marcello: Was there any special reason for his not voting for
Price?

Earthman: Well, he had personal reasons. It is kind of a long
story about what happened with the ten Republicans,
but at the start of the session, there was the . . .
well, we had six members from Houston. It was
obvious the Houston delegation could control at least
the election of a minority leader. We could have done
anything that we wanted to do if we wanted to stick
together, and the Houston Republicans had a meeting,
and we agreed this is what we were going to do, but
as soon as we got up there, the whole thing completely
fell apart with petty bickering between ourselves, and
it was just a fiasco, but for this one vote we were
able to deliver. Rayford Price . . . and I liked him
personally . . . the people that were backing him were
the type of people that you would want for your friends,
really. I liked him. Not that I disliked Price Daniel,
Jr., but I do not like the idea of putting off the
election of a speaker. As it turned out, it was a real

odd coalition that were backing DeWitt Hale. There were the Mutscher people, you remember, who had agreed to back DeWitt Hale, who was a liberal from Corpus Christi, and he also had a certain element of the "Dirty Thirty," so it was the two forces that were diametrically opposed to each other that had joined forces trying to stop Rayford Price.

Marcello: This was a strange alliance to begin with, and I assume that the only purpose of that alliance between these two very different groups was strictly to stop Rayford Price. Is this correct?

Earthman: That is exactly right. They wanted to stop Rayford Price, and I did not want to have any part of it, and most of the other Republicans did not. There were two exceptions. One was Sonny Jones and the other was Bill Blythe. Eventually Jones came along; Blythe never would. In fact, on the final vote he abstained and did not vote for anybody. He was supposedly committed to Fred Head, and I do not know all the dealings that were going on, but I know now that it looks like Blythe was close to Price Daniel, Jr., as it is turning out. But at the time we did not know that; we thought he was for Head.

Marcello: Let's go back just a minute and talk a little bit about DeWitt Hale's candidacy. What were his motivations?

Here was a man who has had a long record of service in the House of Representatives. Why did he particularly want to become interim speaker? And I gather that is all that he was interested in, or at least so he said.

Earthman: Well, in the four years I have been up in Austin, DeWitt Hale has always wanted to be speaker, and he has been up there twenty years or so at least, and he has always wanted to be speaker, but he was always denied this opportunity because he was a liberal. He, of course, threw in with Mutscher and was given a nice committee assignment, and I think he saw here was his one golden opportunity. He pledged that he would be only interim speaker, and I think that everyone knew that once he was elected speaker, he would have to come back and say, "Well, things have changed. I have got a mandate. They are urging me and I have got to go back on my word and run again," and I think most of the people thought that this would be the case with DeWitt. I personally like DeWitt Hale. He is a very, very knowledgeable person, but there again, I think he compromised his principles in a lot of respects to gain the stature that he was enjoying at the time by throwing in with Gus.

Marcello: I think this whole Mutscher business worked against Mr. Hale quite a bit. I think, as you mentioned, he did have a great deal of respect in the House until this whole Sharpstown business broke, and then he stuck with Mutscher almost to the very end.

Earthman: That is exactly right. I remember one thing that I really kind of felt bad about because I had never up to this time questioned DeWitt's integrity, but he was conducting a House committee hearing on rules at the start of the session, and I testified before the committee in regards to a seniority system which DeWitt in previous sessions had even introduced himself, and he had been one of the chief backers, and I thought maybe since he was the chairman we had some kind of a chance, but his loyalty to Mutscher was too strong, you see, and I guess even though he was maybe personally in favor of them, we did not get very far with that particular reform of the House rules.

Marcello: In the background of this speaker's race continually hovered the figure of Bill Heatly. Now at one time or another, I think that practically every avowed speaker candidate said he was going to get rid of Heatly as Appropriations chairman. Isn't this correct?

Earthman: That is right. This was another one of the questions that we asked at this meeting in the hotel room: "What

are you going to do with Bill Heatly?" Everyone of them said, well, they were going to fire him. They were going to kick him off the committee because Heatly was like the plague (laughter), and I think finally, as I remember, Heatly did resign as chairman of the Appropriations Committee just prior to the election. Hopefully, this might have thrown some more votes to DeWitt, but as it turned out--it was a close race--that did not have any effect as to who won.

Marcello: Well, this brings up a very interesting question because I was going to ask you why Heatly did resign. Was it because he knew that whomever was elected speaker was going to get rid of him anyhow? Or was he hoping that by resigning he could swing a couple more votes to Hale? And if so, how could he do that?

Earthman: Well, I think that he was hoping that this would swing some support to Hale because they were kind of desperate, and his resignation really did not mean anything. It did not mean that much because the general session was over with, you see, and we were in special session, and his chairmanship of the Appropriations Committee was not really that much of a factor. So to me it was politically motivated, trying to maybe get

two or three more votes for DeWitt.

Marcello: How could he do that? How could resigning get additional votes for DeWitt Hale?

Earthman: Well, you see there was pressure put on some of the liberals to vote for DeWitt Hale, and they all knew that DeWitt Hale was part of the team with Mutscher and Heatly, and they said, "Well, look, if you are voting for DeWitt Hale, that is the same continuation of the same leadership. You will have Bill Heatly in there and all the other Mutscher cronies." At least in my thinking, it was dumb to try to get some of these liberals to vote for DeWitt and go along with a continuation of the Mutscher regime.

Marcello: You mentioned pressure being put on individual members awhile ago in order to get them to vote for one candidate or another. What sort of pressure could one candidate bring to bear on a member of the House?

Earthman: Well, in a special session there is not an awful lot of pressure you can exert obviously. The main axe or club over a person's head is the promise or absence of good committee assignments and favorable attention to pet legislation that a member might have.

Marcello: Which candidate did the lobbyists seem to be backing?

Earthman: Well, they were backing . . . they backed both really; as they always do, they backed both Rayford and DeWitt. They were split.

Marcello: What sort of support could lobbyists get for one candidate or another? Would money be the main thing to enable this person to travel around the state and round up votes and this sort of thing?

Earthman: That is primarily what support they give because obviously to put on even a campaign for speaker does cost money, and I know Rayford Price did. He rented a hotel suite and had telephones and parties and whiskey and things like that that cost money, and obviously the lobby put up the money as they do. Anyone who was a candidate could get money from the lobby. They will back everybody.

Marcello: I think this is a point we need to get into the record. When we say the lobby was backing a candidate, it does not mean that they were necessarily bribing a particular legislator to vote for a candidate, but they could provide the money that would enable a candidate to travel around the state and line up those legislators.

Earthman: Right. That is right.

Marcello: Then ultimately, of course, Price did defeat DeWitt Hale in a run-off, and as we mentioned awhile ago, the

votes of those nine Republicans was rather decisive.

Earthman: It was. I do not remember right now exactly how close it was . . .

Marcello: Seventy-seven to sixty-five was the final vote.

Earthman: Yes. Well, it turned out that the Republican votes did change the outcome of the election.

Marcello: From all that I have read in the newspapers--and correct me if I am wrong--did Fred Agnich of Dallas more or less emerge as maybe the spokesman for the Republican minority in the House? Is that a fair statement to make?

Earthman: Well, not now. Let me digress for just a minute about the split. We had six from Houston; therefore we could do just about whatever we wanted if we stuck together. We had a meeting here in Houston before the session, and the six Republicans from Houston agreed that we would make a choice among ourselves on who this minority leader would be. The choice was made and I was chosen. We went to Austin and Mrs. Palm who was the Republican county chairman, found out about the choice . . . she is the Republican county chairman, and she and I are not on the best of political terms, and she put pressure to bear on two or three of the Republicans, and we all

swore an oath to abide by this decision regardless of the outcome, and when we got up to Austin, three of them had reneged on the agreement. So we as a consequence wound up not backing anybody. We elected nobody because of this turncoat atmosphere that some of the Republicans from Houston had allowed to happen. They succumbed to pressure which I thought, even though it would have affected me personally, was absolutely terrible that a political person should put pressure on an elected public official for something like this. But anyway, that is past history. We did not elect anyone. Well, we went along and the reason the . . . by the way the reason that the Republicans caved in so easily might not have been the pressure of Mrs. Palm, but they thought that perhaps if I were elected the minority leader that this would give me a head start in a race for higher office, and political jealousy was primarily the reason. I do not know how much ultimate pressure Mrs. Palm . . . but they were looking for a reason, I think, to cave in, and Mrs. Palm's statements to them, I think, just gave them a reason to cave in. Anyway, Agnich was elected a little later on as minority leader, but he has since been dumped. In fact, it happened about three weeks ago. There has

not been any public announcement in the paper, but the movement was led by Bill Blythe in Houston, who is one of two Republicans going back and he got . . . there are seventeen Republicans that will serve in the next session, and he got a majority of them to dump both Sid Bowers, who is the whip, and Agnich from Dallas. So I really do not know what the status is now. Again, it is going to be a rivalry now between Houston and Dallas with each having seven votes.

Marcello: Why was Agnich dumped?

Earthman: Again, it was Mrs. Palm. She did not like Agnich. Agnich is the Republican national committeeman from Texas, and you know there has always been this fight in the Republican Party between the Palm faction or the more militant wing of the Republican Party--the more conservative wing--and the state party. There are a lot of other issues involved as well, and this may be an oversimplification of the reasons, but anyway she did not want Agnich to serve, and I am sure she wanted Blythe to have this position. So they first moved to declare the office vacant and stated, as my understanding, that they did not want to have a leader, and I am sure the next step will be to name Blythe as the new minority leader.

Marcello: Getting back to the House speakership once again, I would assume that all of the candidates that you talked to also promised to reform the House rules.

Earthman: Yes. There again it was kind of a joke. Everyone of them all of a sudden were reform candidates. You see, everybody was a reform candidate. But it is doubtful that any meaningful reform would have been gotten out with the election of any of these candidates.

Marcello: I think that was the major business that was conducted by the second special session that Governor Smith had called. Then very shortly after this--this would actually have been after the primaries had occurred-- he then called the third special session, and, of course, the purpose of this third special session was essentially to enact a new budget. Isn't that correct?

Earthman: Right.

Marcello: This was a rather strange session because by this time there was a lame duck governor, a lame duck lieutenant governor, a lame duck speaker, more than half of the members of the Legislature would not be back again. What sort of an atmosphere did this create in the Legislature? Here again we can include yourself because you would have been a lame duck.

Earthman: Right. After the primaries were over with, there was this attitude of really that they do not care, and it

was like a ship without a captain so to speak. It was unfortunate we even had any special sessions called after the primaries because there was no leadership. The members that were not going to be back--a good deal of them--did not care. They had been away from their businesses, their occupations, for so long that they were anxious to get back, and it was just a real, real strange feeling being up there, and then also included in the group were the ones that would not be returning in January.

Marcello: Well, I gather that this must have been a general attitude because usually there is a great deal of fussing that occurs during the enactment of a budget, and this particular budget went through rather quickly, rather easily, with very little controversy.

Earthman: Well, it was the feeling of most of the members that they wanted to get back home and get out of there, and they did.

Marcello: I gather that generally speaking there was not too much that was said about this budget. As I recall, it amounted to about 4.1 billion dollars, and more or less it was a no-new-tax-type budget.

Earthman: That's right, and as you know, on most of these budget bills there is a terrific fight and a lot of controversy

involved. This time I guess you might say there was relatively smooth sailing. Everything went through with very little controversy, and I think it was because of the set of circumstances with the leadership serving out their last remaining days.

Marcello: What were your own attitudes in going up there as a lame duck?

Earthman: Well, probably no different than any of the others. I had rather not be there although since I was there I wish we could have utilized our time a little better and maybe took up the vital matters, but there again we just have to . . . we are elected to the end of our term. We are still a member of the Legislature, and when we were called, we showed up.

Marcello: I gather that the budget hearings that were held by the Appropriations Committee, if we can believe the newspapers, were a little more democratic this time around than they had been in the past.

Earthman: Well, they were. There was a complete change in the way things were done. The chairman of the Appropriations Committee at that time was Bill Finck from San Antonio, who was also beaten by the way (laughter) and who was a lame duck, but he was a very conscientious member. In

fact, I like Bill. He was a cigar manufacturer and I am sure a lot of the members will miss him because he always brought three or four boxes of cigars and placed them on his desk, and we always had plenty to smoke at least while we were up there with Bill Finck. But Finck was a good member and a good chairman and conducted the meetings very fairly and very openly. The only thing he did that I did not like--and I guess it was a last ditch effort to win his election--he did hold an Appropriations meeting in San Antonio for the first time in history, which obviously was politically motivated. But other than this one thing I think Bill conducted himself very admirably.

Marcello: Well, looking back, was Bill Heatly as autocratic as everybody made him out to be?

Earthman: He was bad. He was bad. There is no doubt about it. He had too much power, and getting rid of this one man as chairman of this powerful committee was probably the one greatest thing that Rayford Price ever did, without a doubt.

Marcello: For the most part that concluded the business of that third special session. The budget was the main thing, and it was a rather cut and dried thing, and then lo and behold, of course, shortly after this, Governor Smith saw fit to call still another special session. This,

of course, was the fourth special session that had been held. Now in essence, insurance legislation was the top priority for which this particular session had been called. More specifically, the governor was apparently interested in competitive rate making, both home and automobile insurance. Now let's just talk a little bit about the background material here. When did Preston Smith suddenly become a champion of the consumer? Had he always been?

Earthman: No, he had not. I think Preston Smith was trying in the last days of his tenure in office to change the image that he had gotten into. Some of it was his own making, some of it was not, but I think he wanted to go out . . . everyone who serves in office wants to be liked, and everyone that serves wants history, I guess you might say, to look favorably upon them. Governor Smith did have his problems, and he had his detractors, and I think that in the last days I guess you might say he was trying to clean his image up, so to speak, and he did become the champion of the consumer and did advocate a lot of reforms that I personally favored. I think it was a little bit too late, though, to do anything about it, though, and a lot of people who were for some of these reforms resented having to go

back because they really did not believe the governor, that he had the proper motivations at this time for calling the sessions to cover these specific subjects, you see.

Marcello: Some people said that adequate insurance legislation could not be written in thirty days.

Earthman: Well, it was impossible as it turned out. It was absolutely impossible. We were asked to enact a competitive insurance bill that would lower insurance rates, and we had testimony for almost a month.

Marcello: These were joint hearings, were they not?

Earthman: That is right. At no time during the hearings did anyone say that competitive rates would lower insurance, and I think for this one reason that is why it did not fare the way it was supposed to, you see.

Marcello: And I gather they had called in some knowledgeable people to testify on competitive rates, also. I mean they brought them from out of state: California, Chicago, all around.

Earthman: That is right, and there was just a conflict in testimony, and there again we were in special session where you do have a time limit, and the members of the legislature just were not able to judge. When you hear conflicting reports, who are you going to believe?

Marcello: Well, I think when most legislators went into those hearings, they were of the opinion that competitive rates would mean lower rates. But then when they started to hear the testimony, I think a great many of them had second thoughts.

Earthman: Well, that is right. A lot of the witnesses that were called testified just the opposite--in effect, that competitive rates would mean substantially higher rates for a majority of the citizens of our state.

Marcello: In the third special session--and I did not talk about this because it really was not House business--but in the third special session, the Senate had rejected Smith's nomination of Larry Teaver to serve on the Insurance Board. Some people say that the rejection of Teaver was the thing that motivated Smith to call that fourth special session--that really that competitive rate-making was not what was on his mind, but rather it was to elect one of his people to that Insurance Board or to nominate somebody to that Insurance Board, particularly Bob Bullock.

Earthman: Yes, I have heard this, too, and I do not know if this was the case or not. I had heard this theory advanced that you just mentioned, but I have no way of disproving it or proving it. I just do not know. It is just one of those things that you never know.

Marcello: What was the story on Bob Bullock? I gather that he had made quite a few enemies during his association with Preston Smith.

Earthman: Yes, he did. He had made an awful lot of enemies, and it looks like at the time that the Senate was not going to confirm any nominee of the governor's, regardless of who it would be. There was even some talk of even trying to get old Ralph Yarborough in there, hoping that they could not possibly turn down Ralph (laughter). But I think that the feeling at the time in the Senate--of course, I was not a member of the Senate and did not have a vote on confirmation--was that they did not care who the governor put up there, they were not going to pass on his nominee at that time.

Marcello: Well, anyhow, I think that in the House of Representatives I gather that most of the smaller insurance companies were opposed to competitive rates, whereas most of the larger companies were in favor of competitive rates. Now when I say the larger companies, I am referring specifically to what I would consider the big two--Allstate and State Farm. I gather they would have benefited from competitive rates.

Earthman: Well, I do not know. I'll tell you, I was like other members of the Legislature at that time--utterly confused.

We had heard so much conflicting testimony and a war of words on both sides that we really did not know. Most of the members of the Legislature wanted, I guess, to give a break to the insurance buying public, but we just did not know if we were doing the right thing or the wrong thing, and again let me say I believe it was ill-timed to try to consider any type of insurance reform where you have a deadline on the time you are to meet and plus the fact that the leadership was all on the way out and the members of the Legislature were all on the way out, and I really feel that at least the last special session was a complete waste of time.

Marcello: How did the insurance lobby feel on the question of competitive rate-making? Were they divided as everybody else was?

Earthman: They were divided. I had representatives of the insurance industry contact me as well as I am sure all the other members, and they were divided on the course of action that they asked me to take. They did not present a united front by any means.

Marcello: Well, I gather that the bill in the House of Representatives that was given the most attention was the one that was proposed by Representative Cavness of Austin. Is that not correct? Cavness himself is in the insurance business.

Earthman: That is right. He is in the insurance business. If I remember, he was going to carry the governor's bill, but as soon as we got into committee hearings, he dumped Preston Smith's bill and substituted his own version of the bill. Where he got it, I really do not know, but anyway the governor's bill had no chance to begin with. Preston Smith's bill was never even considered, not even by the so-called sponsor of his own bill.

Marcello: Why was this?

Earthman: Well, I do not know. I think maybe the governor gave the bill to the wrong man. Cavness is coming back and he obviously is a very knowledgeable man and knows a lot about insurance and the insurance field. But here again, I think this points out something a little strange in our government, an obvious conflict of interest for a man like Cavness, who I do respect as an honest man, but he is a representative of the insurance industry himself, and he is the man that was carrying the bill. In fact, he was the chairman of the committee that was holding the hearings. So this is poor business as far as I am concerned.

Marcello: I think in the Cavness bill, he called for I guess what one could call open competition in rate-making, and

there were some legislators--Dave Allred in particular-- who were interested in placing a ceiling under which this competition could operate. What were your own feelings on that matter?

Earthman: Well, there again we heard conflicting testimony on what a ceiling would do. It was just more of the same thing. We heard hours after hours then of floor debate on what a particular bill would do and what it would not do, and members of the Legislature again were just completely confused as to what the ramifications of the bill would have as far as affecting the rate either upward or downward.

Marcello: Well, as we now know, of course, no insurance legislation at all was passed. I think it was a matter of time as much as anything else. More time was needed to look into the ramifications of competitive rate-making, and, of course, with that rejection, the legislature then went home once again. As you look back on your career in the Legislature--I do not know if we talked about this or not--but you were a legislator during that period when Preston Smith was governor. How would you assess the two Smith administrations?

Earthman: Well, as you know, we operated under the constitution of 1876, and it does not really give the governor an

awful lot of power, and I think the major downfall of Preston Smith was that he followed in the footsteps of a very popular governor, John Connally, and so in everything that Preston Smith did, he was compared with John Connally, and this was, I think, unfair. If Preston Smith had been governor at a different point in time, I think that history would probably treat him or look on him a little bit different, but this was a hard thing to follow in the footsteps of Connally, and I think his image suffered because of this. So he started out, I guess you might say, with two strikes against him, and this, I guess, was unfortunate.

Marcello: He always had to fight this Connally image, too, because when he was lieutenant governor, of course, then Ben Barnes was speaker of the House, and Ben Barnes as everybody knew was a Connally protégé, and so Preston was kind of always in the background, I think.

Earthman: Well, he was also in the middle, because he was following John Connally, and at the same time he had Ben Barnes chasing him, you see, and really he did not have, I guess you might say, a fair shake as governor, and the powers of the governor are not very strong in our state. He has wide appointive powers, and that is probably the

strongest power that the governor does have--his vast appointive powers. But as far as his image is concerned, following John Connally and then having the rising star in Texas politics following him up, you see, he was caught in the middle, and he suffered because of it.

Marcello: I gather that from time to time also Governor Smith was criticized for not providing the legislative leadership that certain legislators thought that he should have provided. In other words, they mentioned on several occasions that the Legislature would pass something or would talk about something, Governor Smith would give no indication one way or the other on that particular legislation, and then lo and behold, he would turn around and veto it or something of this nature.

Earthman: Yes, he could have been a little more forceful, I feel. Maybe this is just the way that he did business, so to speak, in kind of a folksy and grandfatherly image that he has, you see, and a lot of the legislators took this, I guess, maybe for lack of character or not taking a firm stand on issues, and I do not think that the message that he was trying to get across to the Legislature ever got there because you mentioned cases

where they would ask him what he thought and what his ideas were, and then he would turn around and veto it or he would not . . . his message really was not very clear, I guess you might say.

Marcello: I can make special reference to that gasoline tax that was passed during the 62nd Legislature. You remember nothing at all was said by Governor Smith about that tax until he vetoed it.

Earthman: Yes, and the members of the Legislature said that, "If you had told us you would veto it, we would not have passed it in the first place." I guess he was not . . . we can look back and say any particular person should have done this. Hindsight, you know, is better.

Marcello: Hindsight is a damn sight better than foresight.

Earthman: That is right, it sure is (chuckle). And if you were governor you would have done it a different way. But Smith did have these handicaps because he was caught in the middle, and I guess you might say he paid the price for it unfortunately.

Marcello: In a positive sense, what do you think Governor Smith will be most remembered for?

Earthman: Well, I do not know. It is really hard to say. There was so much turmoil when he was governor that it is

really, really difficult to say. I do not know. In trying to be fair, I really do not know. I am afraid that the Sharpstown problems are probably going to overshadow any positive thing that Governor Smith ever did. There was an awful lot in the field of higher education. There was an awful lot of good done. He built a lot of schools. He improved a lot of schools. But I really feel that the problems that our state encountered at this time will overshadow any positive things that might be said about the governor.

Marcello: Where does your own political career go from here?

Earthman: I do not know yet. I had announced that I am going to run for the State Senate but then decided against it for a number of reasons. One, I was not in the district that I wanted to run in. But I guess I will just kind of play it by ear. It is very difficult to serve in the Legislature, especially financially, as you know. I was up there four years, and the amount of money that it costs to stay up there is tremendous that you lose away from your business, and this probably more than any other factor influenced me to retire, at least maybe temporarily, so to speak. I really do not know. I will just--I guess you might say--keep my options open. I am not saying I never will run again because

I did enjoy public service. Maybe this public service might take on another avenue. It might not be elective office. I do not know. I will just have to wait and let time take care of it.

Marcello: What do you see as the future of the Republican Party in Texas?

Earthman: It is going to grow, there is no doubt about it. There is a spirit of change--a shifting of values, so to speak. You will notice in the last election, all urban areas--with maybe the exception of Bexar County that has a heavy Mexican-American population--all vote Republican. I mean, this is just the way it is, and the shift is going to continue, I think, to I guess you might say a true two-party state. Right now, we do not have that. We have only got seventeen members in the Legislature, but that is over ten the session before and I think one or two the session before that. So it is growing, and with the advent of single member legislative districts, there is no doubt that the Republican seats are not going to be lost. In fact, they will continue to gain, and I think that by necessity there will have to be some kind of coalition between, I guess, rural-urban Democrats and Republicans versus urban liberals. This is going to happen. There is no doubt about it.

If Rayford Price had been speaker, I think this would have been implemented more, but, of course, he was defeated in his race for the Legislature and therefore was not a candidate. But I can see now that the liberal element of the Democratic Party is emerging in Texas. There is no doubt about it. With the election of Hobby as lieutenant governor, Price Daniel, Jr., as speaker, John Hill, of course, and I don't know what to think of Dolph Briscoe. I do not think that he really is a conservative, but he is not a liberal. I do not know. I have got a hunch that Briscoe is only going to serve one term--that he is going to be knocked off. Who does it, I do not know. I suspect it will probably be Hobby or maybe Hill.

Marcello: You have not mentioned Ben Barnes.

Earthman: I don't really know how to assess Barnes. I feel--at least for the present time--that he has been mortally wounded, and maybe time will change that, but I do not see him emerging anytime in the near future as a viable candidate. There are too many other strong candidates now that have leapfrogged over him. I do not really see too much of a future for Sissy Farenthold, by the way, as a state leader. She perhaps might run for

Congress or something like that, but I do not ever see her running a statewide, Texas office. I think there are more moderate to liberal candidates that are more electable, like Bob Armstrong or Bill Hobby or John Hill, to mention the three that probably stand the biggest chance of moving up. But I just do not see Sissy Farenthold as winning a statewide office at the present time.

* Also present at the interview was Mrs. J. Doug Toole, wife of the Harris County campaign manager for Governor Preston Smith.